



# County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA  
Chief Executive Officer

November 9, 2010

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**APPROVING AND ACCEPTING THE NEGOTIATED EXCHANGE OF PROPERTY  
TAX REVENUE RESULTING FROM THE ANNEXATION OF UNINCORPORATED  
TERRITORY KNOWN AS MONT CALABASAS TO THE CITY OF CALABASAS  
(ANNEXATION 2009-09)  
(SUPERVISORIAL DISTRICT 3)  
(3 VOTES)**

**SUBJECT**

Adoption of the Joint Resolution for the annexation of unincorporated territory to the City of Calabasas.

**IT IS RECOMMENDED THAT YOUR BOARD:**

Adopt the Joint Resolution between your Board and the City Council of the City of Calabasas based on the negotiated exchange of property tax revenue, as a result of the proposed Annexation 2009-09 of approximately 493 acres of unincorporated territory known as Mont Calabasas to the City of Calabasas.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS**

The City Council of the City of Calabasas has adopted the attached Joint Resolution based on the negotiated exchange of property tax revenue resulting from the proposed annexation of unincorporated territory to the City of Calabasas. The territory consists of approximately 493 acres of developed and open space areas generally located south of and adjacent to the Ventura County boundary, west of and adjacent to Las Virgenes Road, one-half mile north of U.S. Route 101.

*"To Enrich Lives Through Effective And Caring Service"*

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Intra-County Correspondence Sent Electronically Only**

Board of Supervisors  
GLORIA MOLINA  
First District

MARK RIDLEY-THOMAS  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

In order for the Local Agency Formation Commission (LAFCO) for Los Angeles County to proceed with the required hearings on the proposed annexation, your Board, as the governing body of the County, must first adopt the Joint Resolution.

### **FISCAL IMPACT/FINANCING**

The adopted Joint Resolution will transfer annually Ninety Thousand and Seven Dollars (\$90,007) in base property tax revenue from the County General Fund to the City and will allocate a share, approximately 4.6 percent, of the annual property tax increment in each of the affected Tax Rate Areas from the County to the City, as contained in the Joint Resolution. An adjustment will be made to the County budget in the fiscal year following the year in which the annexation is approved.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Pursuant to Part 3, Title 5 of the California Government Code, commencing with Section 56000, the City of Calabasas adopted a resolution and filed an application with LAFCO to initiate proceedings for annexation of the subject territory to the City.

Section 99 of the California Revenue and Taxation Code (R & T Code) requires that prior to the effective date of any jurisdictional change, the governing bodies of all agencies whose service area or service responsibilities will be altered by such change must address the fiscal impacts of the proposed annexation by negotiating a reallocation of property tax revenue between the affected agencies, and approve and accept such reallocation by resolution. The City Council of the City of Calabasas has adopted the negotiated Joint Resolution, as required by Section 99 of the R & T Code.

The proposed territory to be annexed to the City of Calabasas is currently within the County of Los Angeles Road Maintenance District No. 3 (RMD No. 3), County Public Library system, County Lighting Maintenance District 1687 (CLMD 1687), and County Lighting District LLA-1, Unincorporated Zone (CLD-LLA-1, Unincorporated Zone), an assessment district. Upon annexation of the territory to the City, the territory will be detached from the County RMD No. 3, withdrawn from CLMD 1687, and excluded from CLD-LLA-1, Unincorporated Zone. The City has its own Library system, and, therefore, the property taxes currently received by the County Library will be transferred to the City.

The County Department of Public Works currently administers the street lighting and lighting maintenance services in the annexation area through CLMD 1687 and CLD-LLA-1, Unincorporated Zone. The County also administers these same services for the City of Calabasas through the Calabasas Lighting District and the CLD-LLA-1,

Calabasas Zone. The assessment rate in the CLD-LLA-1 Calabasas Zone is \$28 dollars per parcel and in the current affected CLD-LLA-1 Unincorporated Zone, the assessment rate is \$5 per parcel. Due to the fact that the residents in the annexation area would be paying a higher assessment rate after annexation, a favorable outcome of Proposition 218 vote would have been required for the increase in the assessment rate. In order to expeditiously process the property tax transfer, the City requested the County to process the Joint Resolution prior to a Proposition 218 election process and agreed that upon annexation of the territory to the City, the City will bear the fiscal operating and maintenance responsibilities for the street lights in the annexation area as stated in the Joint Resolution. Pursuant to the Joint Resolution, the City also agreed that if it subsequently requests the County to administer the street lighting services after the area is annexed to the City, it will bear all administrative costs necessary to comply with the Proposition 218 process.

Adoption of the Joint Resolution by your Board will allow LAFCO to schedule the required public hearings to consider testimony on the proposed annexation. LAFCO will subsequently take action to approve, approve with changes, or disapprove the proposal for the annexation.

The City thus far has refused to accept any transfer of the County's Regional Housing Needs Assessment (RHNA) allocation for this proposed annexation area. Government Code Section 65584.07(d) encourages counties and cities to reach a "mutually acceptable agreement" with respect to RHNA transfers for annexations. In the absence of an agreement between the City and County, the Southern California Association of Governments (SCAG) is authorized to make a determination on the RHNA transfer allocation, but SCAG is not required to become involved until after approval of the annexation by LAFCO. The County requested a meeting with SCAG and the City in advance of the processing of the annexation in order to resolve the dispute, but the City refused to meet. As your Board's policy on City Annexations and Spheres of Influence directs the County to oppose annexations with any city that does not accept the RHNA allocation associated with a proposed annexation area, the Chief Executive Office will oppose the annexation before LAFCO. If the annexation is approved and ordered by LAFCO, the Department of Regional Planning will submit a written request to SCAG to review the County's RHNA transfer methodology and to make a determination on the RHNA transfer allocation.

The Joint Resolution has been approved as to form by County Counsel.

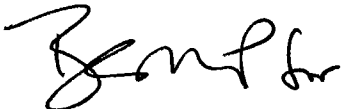
**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Upon the effective date of the annexation, the City will become responsible for providing municipal services to the area within its jurisdiction.

**CONCLUSION**

At such time as the recommendation is approved by your Board, please return one copy of the letter and four signed originals of the Resolution to LAFCO, one approved copy of the letter and Resolution to the Chief Executive Office, Office of Unincorporated Area Services, and one copy of the approved letter and a copy of the Resolution to the Auditor-Controller, Tax Division.

Respectfully submitted,



WILLIAM T FUJIOKA  
Chief Executive Officer

WTF:DSP  
MJS:acn

Attachment (1)

c: Executive Office, Board of Supervisors  
County Counsel  
Auditor-Controller  
Sheriff  
Assessor  
Animal Care and Control  
Fire  
Public Library  
Public Works  
Regional Planning

**JOINT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE  
COUNTY OF LOS ANGELES AND THE CITY COUNCIL OF THE CITY OF  
CALABASAS, APPROVING AND ACCEPTING THE NEGOTIATED EXCHANGE OF  
PROPERTY TAX REVENUE RESULTING FROM THE ANNEXATION OF TERRITORY  
KNOWN AS MONT CALABASAS  
TO THE CITY OF CALABASAS, WITHDRAWAL FROM COUNTY LIGHTING  
MAINTENANCE DISTRICT 1687, EXCLUSION FROM  
COUNTY LIGHTING DISTRICT LLA-1, UNINCORPORATED ZONE, AND  
DETACHMENT FROM COUNTY ROAD DISTRICT NO.3**

**ANNEXATION 2009-09 (MONT CALABASAS)**

WHEREAS, the City of Calabasas initiated proceedings with the Local Agency Formation Commission for Los Angeles County (LAFCO) for the annexation of territory identified as Annexation 2009-09 to the City of Calabasas; and,

WHEREAS, pursuant to Section 99 of the California Revenue and Taxation Code, for specified jurisdictional changes, the governing bodies of affected agencies shall negotiate and determine the amount of property tax revenue to be exchanged between the affected agencies; and,

WHEREAS, the area proposed for annexation is identified as Annexation 2009-09 and consists of approximately 493 acres of unincorporated territory known as "Mont Calabasas" located south of and adjacent to the Ventura County boundary, west of and adjacent to Las Virgenes Road, one-half mile north of U.S. Route 101; and,

WHEREAS, the area is located within the boundaries of County Lighting Maintenance District 1687; and,

WHEREAS, pursuant to Section 5853 of the California Streets and Highway Code, the City of Calabasas hereby agrees to the withdrawal of the proposed annexation territory from County Lighting Maintenance District 1687; and

WHEREAS, upon annexation of the proposed area to the City of Calabasas, the territory shall be withdrawn from County Lighting Maintenance District 1687; and,

WHEREAS, the annexation area is also located within County Lighting District LLA-1, Unincorporated Zone; and,

WHEREAS, pursuant to Section 22613 of the California Streets and Highways Code, whenever any territory of an assessment district is included within

a city by annexation or incorporation, that territory is thereby excluded from the assessment district; and,

WHEREAS, upon annexation of the proposed area to the City of Calabasas, the territory will be automatically excluded from County Lighting District LLA-1, Unincorporated Zone; and,

WHEREAS, the Board of Supervisors of the County of Los Angeles, as governing body of the County and the County of Los Angeles Road Maintenance District No.3, County Lighting Maintenance District 1687, County Lighting District LLA-1, Unincorporated Zone, and the County Public Library, and the City Council of the City of Calabasas, have determined the amount of property tax revenue to be exchanged between their respective agencies as a result of the annexation of the unincorporated territory identified as Annexation 2009-09, detachment from County Road District No.3, withdrawal from County Lighting Maintenance District 1687, exclusion from County Lighting District LLA-1, Unincorporated Zone, and withdrawal from the County Public Library system, is as set forth below:

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The City of Calabasas agrees that it will bear the full responsibility for the street lighting and lighting maintenance services in the proposed annexation area upon the withdrawal of the annexation territory from County Lighting Maintenance District 1687 and exclusion of the territory from County Lighting District LLA-1, Unincorporated Zone.

2. The negotiated exchange of property tax revenue between the County of Los Angeles and the City of Calabasas, resulting from Annexation 2009-09 is approved and accepted.

3. For fiscal years commencing on or after July 1, 2011, or the July 1 after the effective date of this jurisdictional change, whichever is later, the tax-sharing ratio received by County Lighting Maintenance District 1687 attributable to Annexation 2009-09, shall be transferred to the County of Los Angeles, and the County Lighting Maintenance District 1687 share in the annexation area shall be reduced to zero.

4. For fiscal years commencing on or after July 1, 2011, or the July 1 after the effective date of this jurisdictional change, whichever is later, property tax revenue received by County Road District No.3, attributable to Annexation 2009-09, shall be transferred to the County of Los Angeles, and the County Road District No.3 share in the annexation area shall be reduced to zero.

5. For fiscal years commencing on or after July 1, 2011, or the July 1 after the effective date of this jurisdictional change, whichever is later, property tax revenues received by the County Public Library shall be transferred to the City of Calabasas Library Fund 28, and the County Public Library's share in the annexation area shall be reduced to zero.

6. For each fiscal year commencing on or after July 1, 2011 or the July 1 after the effective date of this jurisdictional change, whichever is later, Ninety Thousand and Seven Dollars (\$90,007) in base property tax revenue shall be transferred from the County of Los Angeles to the City of Calabasas.

7. For fiscal years commencing on or after July 1, 2011, or the July 1 after the effective date of this jurisdictional change, whichever is later, the following ratios of annual property tax increment attributable to each respective Tax Rate Area in the Annexation 2009-09 territory shall be transferred from the County of Los Angeles to the City of Calabasas as shown below and the County's share shall be reduced accordingly:

<b>Tax Rate Area</b>	<b>Annual Tax Increment Ratio Transfer to the City</b>
04933	0.046774574
04974	0.047989945
13998	0.046931999
13999	0.046931999
14000	0.046931999
14001	0.046931999
14002	0.046931999
14003	0.046931999
14004	0.046931999

8. In the event that all or a portion of the annexation area is included within a redevelopment project pursuant to California Community Redevelopment Law, Health & Safety Code Sections 33000 et seq., the City of Calabasas shall not adopt the ordinance approving the redevelopment plan with respect to the annexed area until such time as the Redevelopment Agency of the City of Calabasas has diligently and in good faith complied with all applicable provisions of the California Community Redevelopment Law, including but not limited to, Health & Safety Code Section 33670 or any other relevant provision of the law. Any ordinance approving a redevelopment project which does not comply with this paragraph shall be void and of no effect with regard to the subsequent allocation and distribution of taxes to the Redevelopment Agency.

9. In the event that a request is made at any time in the future to annex all or part of the Annexation 2009-09 territory into the Calabasas Lighting District

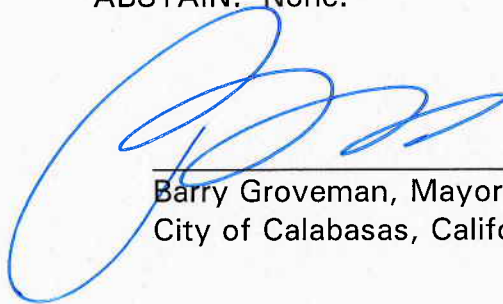
and the County Lighting District LLA-1, Calabasas Zone, the City of Calabasas shall pay all administrative costs of the County of Los Angeles to process said request, including all costs of compliance with the requirements of Article XIII D of the California Constitution (Proposition 218).

**(Signed in Counterpart)**

PASSED, APPROVED AND ADOPTED this 25<sup>th</sup> day of August, 2010  
by the following vote:

AYES: Groveman, Washburn, ABSENT: None.  
Bozajian, Maurer and Wolfson.

NOES: None. ABSTAIN: None.



\_\_\_\_\_  
Barry Groveman, Mayor  
City of Calabasas, California

ATTEST:



\_\_\_\_\_  
Gwen Peirce, City Clerk  
City of Calabasas



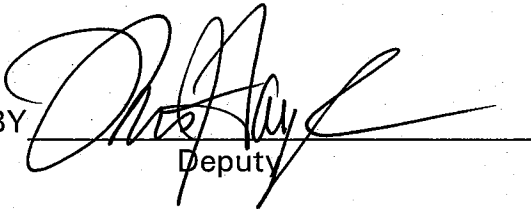
The foregoing resolution was on the \_\_\_\_\_ day of \_\_\_\_\_, 2010, adopted by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

SACHI A. HAMAI, Executive Officer  
Clerk of the Board of Supervisors  
of the County of Los Angeles

By \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN  
County Counsel

BY   
Deputy